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Viewing cable 09MANAGUA432, NICARAGUA: AMBASSADOR LEADS DISCUSSION ON DONOR

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09MANAGUA432**.

Reference ID	Created	Released	Classification	Origin
09MANAGUA432	2009-04-27 12:53	2011-08-30 01:44	CONFIDENTIAL	Embassy Managua

Appears in these articles:

<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758456.aspx>
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758467.aspx>
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758468.aspx>
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758464.aspx>
<http://www.confidencial.com.ni/articulo/4103/la-embusa-y-el-gabinete-de-ortega>
<http://www.confidencial.com.ni/articulo/4104/d-rsquo-escoto-en-onu-ldquo-un-desafio-de-ortega-a-ee-uu-rdquo>
<http://www.confidencial.com.ni/articulo/4102/estrada-y-la-ldquo-doble-cara-rdquo-ante-ee-uu>
<http://www.confidencial.com.ni/articulo/3966/la-ldquo-injerencia-rdquo-de-ee-uu-en-el-2006>
<http://www.nacion.com/2011-05-23/Mundo/Relacionados/Mundo2758764.aspx>
<http://www.nacion.com/2011-05-23/Mundo/NotaPrincipal/Mundo2758753.aspx>
<http://www.confidencial.com.ni/articulo/4041/millones-de-dolares-sin-control-y-a-discrecion>
<http://www.confidencial.com.ni/articulo/4040/la-ldquo-injerencia-rdquo-de-venezuela-en-2006>
<http://www.confidencial.com.ni/articulo/4047/rodrigo-barreto-enviado-de-ldquo-vacaciones-rdquo>
<http://www.nacion.com/2011-05-16/Mundo/NotasSecundarias/Mundo2757239.aspx>
<http://www.nacion.com/2011-05-16/Mundo/NotaPrincipal/Mundo2746658.aspx>
<http://www.nacion.com/2011-05-16/Mundo/Relacionados/Mundo2757244.aspx>
<http://www.nacion.com/2011-05-16/Mundo/Relacionados/Mundo2746673.aspx>
<http://www.confidencial.com.ni/articulo/3991/dra-yadira-centeno-desmiente-cable-diplomatico-eeuu>
<http://www.confidencial.com.ni/articulo/3968/pellas-pronostico-a-eeuu-victoria-de-ortega-en-2006>
<http://www.confidencial.com.ni/articulo/3967/barreto-era-ldquo-fuente-confiable-rdquo-para-eeuu>

VZCZCXRO9792
PP RUEHLMC
DE RUEHMU #0432/01 1171253
ZNY CCCCC ZZH
P 271253Z APR 09
FM AMEMBASSY MANAGUA
TO RUEHC/SECSTATE WASHDC PRIORITY 4074
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY
RUEHRL/AMEMBASSY BERLIN PRIORITY 0179
RUEHCP/AMEMBASSY COPENHAGEN PRIORITY 0042
RUEHHE/AMEMBASSY HELSINKI PRIORITY 0065
RUEHLO/AMEMBASSY LONDON PRIORITY 0119
RUEHMD/AMEMBASSY MADRID PRIORITY 0503
RUEHOT/AMEMBASSY OTTAWA PRIORITY 0267
RUEHPG/AMEMBASSY PRAGUE PRIORITY 0011
RUEHUL/AMEMBASSY SEOUL PRIORITY 0061
RUEHTC/AMEMBASSY THE HAGUE PRIORITY 0179
RUEHKO/AMEMBASSY TOKYO PRIORITY 0231
RUEHBS/USEU BRUSSELS PRIORITY
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY
RHEFDIA/DIA WASHINGTON DC PRIORITY
RHEHNSC/NSC WASHINGTON DC PRIORITY
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHDC PRIORITY
RHBVJPX/COMPHIBRON SIX PRIORITY
RUMIAAA/CDR USSOUTHCOM MIAMI FL//J2/J3/J5// PRIORITY
RHBPCOM/USNS COMFORT PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 MANAGUA 000432

SIPDIS

DEPT FOR WHA/CEN KRAAIMOORE
DEPT FOR INR/IAA

E.O. 12958: DECL: 04/23/2019

TAGS: [EAID](#) [ECON](#) [PGOV](#) [NU](#)

SUBJECT: NICARAGUA: AMBASSADOR LEADS DISCUSSION ON DONOR
UNITY

REF: 2008 MANAGUA 1392

Classified By: Ambassador Robert J. Callahan for reasons 1.4 (b & d).

11. (C) SUMMARY: On April 15, Ambassador Callahan hosted ambassadors from Nicaragua's major European donor countries in a discussion about donor actions following the fraudulent outcome of the 2008 municipal elections (reftel) and the continued unwillingness of the GON to address the issue. The meeting resulted in a near-consensus (Spain excepted) among donors, including the recognition that the GON has already lost millions in budget support payments, that the donors would look to work through other entities (NGOs, municipalities), where possible, and that all feared the creeping authoritarianism of the Ortega Administration. The meeting was the culmination of a process of consultation among aid missions and embassies in Nicaragua with the participation of an international consultant, funded by the UK. END SUMMARY

DONORS AGREE ON CONSEQUENCES FOR FRAUD

12. (C) The ambassador-level meeting, which included the Chiefs of Missions from Germany, Denmark, Finland, Spain, the Netherlands, and the European Commission, resulted in a near-consensus (Spain excepted) between donors that there should be consequences for the blatant November 2008 electoral fraud and that the GON has done nothing to date to address legitimate international concerns about the fraud. Donors also agreed that as a consequence, the GON had already lost millions for 2009 through the freezing of traditional budget support and the suspension of the Millennium Challenge Corporation (MCC) projects. Going forward all the donors would look to work through more congenial entities (NGOs, municipalities), where possible, to disseminate their

assistance. There was also agreement between all participants that Nicaragua's fledgling democracy was at serious risk of being derailed and could be entering a "perfect storm" for increased narco-trafficking and criminal gang activity as the economic situation deteriorated. The group of ambassadors also agreed to meet again in a few weeks to draft common language that would be presented to President Daniel Ortega.

UK'S DFID SPONSORS DONOR WORKSHOPS

13. (C) The ambassadors' meeting on April 15 was the final step in a three-month exercise originally conceived and sponsored by the United Kingdom's Department for International Development (DFID). After DFID announced that it was leaving Nicaragua to re-focus resources in Africa, its country director decided to use remaining funds to sponsor a series of donor workshops and interviews to explore the forces for change in Nicaragua and develop scenario analysis for future donor actions. The goal of the DFID workshops, among other things, was to facilitate a dialogue among donors that could lead to better coordination. DFID hired an international consulting firm to facilitate the donor workshops which began in January 2009 among technical-level aid practitioners and concluded with a multi-day scenario analysis workshop in March. DFID agreed to sponsor a final technical-level meeting among like-minded donors and an ambassadors' meeting, both hosted at the US Embassy.

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COMMENT

14. (C) European capitals are refocusing foreign assistance resources away from Latin America to Africa and the Mideast. For example, during the discussion it was revealed that Norway's budget support payments would end in 2009, and that both Dutch and Finnish development assistance may also leave Nicaragua within five years. While Nicaragua desperately needs donor funding to support its social programs, it has encouraged donor flight through its authoritarian actions and rhetoric. Expected or promised assistance from "new" allies Russia, Iran and Venezuela has been slow in materializing. The DFID donor workshops, if nothing else, established useful lines of communication within the diverse donor community, as well as the recognition that the donors should coordinate more closely because of shared values and objectives.

CALLAHAN